

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of San Gabriel Valley Water Company (U 337 W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division revenues by \$9,526,800 or 30.4% in 2002, \$7,276,100 or 17.8% in 2003, \$2,668,600 or 5.5% in 2004, and \$2,668,500 or 5.2% in 2005.

Application 01-10-028

**ASSIGNED COMMISSIONER'S RULING
DETERMINING THE SCOPE, SCHEDULE,
AND NEED FOR HEARING IN THIS PROCEEDING**

This ruling determines the scope, schedule, and need for hearing in this proceeding in accordance with Rules 6(a) and 6.3 of the Commission's Rules of Practice and Procedure (Rules).¹

Background

On October 23, 2001, the San Gabriel Valley Water Company (San Gabriel) filed this application seeking Commission authorization to increase rates by 30.4% in 2002, 17.8% in 2003, 5.5% in 2004, and 5.2% in 2005.

On November 3, 2001, the Commission's Office of Ratepayer Advocates, Water Branch (ORA) filed its protest against San Gabriel's application. ORA stated that although it had not yet completed its review of the application, it had

¹ Rules 6(a) and 6.3 require the assigned Commissioner to determine the scope and schedule of a proceeding.

preliminarily identified several issues: (1) the overall size of the proposed increase, (2) the cost of capital, (3) the sales forecast, (4) increased management salaries, (5) adding 12 new employees, and (6) consideration of water filtration alternatives.

On January 18, 2002, the Assigned Administrative Law Judge (ALJ) held a Prehearing Conference (PHC). San Gabriel appeared with counsel, as did ORA. The parties and the ALJ engaged in an extensive discussion of discovery issues.

Need for Evidentiary Hearings

Issues of material facts remain in dispute between the parties, such that scheduling evidentiary hearings will be necessary.

Scope of the Proceeding

The scope of this proceeding shall be to determine whether San Gabriel has met its burden of proving that proposed rate increases are just and reasonable and, if not, what the just and reasonable rates shall be.

Procedural Schedule

At the PHC, the ALJ adopted the following schedule:

ORA Issue Report	Not later than 5:00 pm, March 8, 2002
Public Participation Hearing	7:00 pm, March 14, 2002
San Gabriel Issue Rebuttal Testimony	No later than 12:00, Noon, March 18, 2002
Parties Meet and Confer	March 20–22, 2002
Evidentiary Hearings	March 25-29, 2002

Principal Hearing Officer

The Assigned ALJ, Maribeth A. Bushey, will act as the principal hearing officer in this proceeding.

Ex Parte Communications

This matter is designated as “ratesetting” as defined in Rule 5(c).
Therefore, all ex parte communications must comply with Rule 7(c) and 7.1.

IT IS HEREBY RULED that:

1. Evidentiary hearings are needed.
2. The scope of this proceeding is stated above.
3. The schedule for the remainder of this proceeding is as described in the body of this ruling.
4. Maribeth A. Bushey shall be the principal hearing officer in this proceeding.

Dated February 8, 2002, at San Francisco, California.

/s/ HENRY M. DUQUE

Henry M. Duque
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Determining the Scope, Schedule, and Need for Hearing in this Proceeding on all parties of record in this proceeding or their attorneys of record.

Dated February 8, 2002, at San Francisco, California.

/s/ ERLINDA PULMANO
Erlinda A. Pulmano

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.